

BOARD ACTION MEMORANDUM

TO: NCUA Board

DATE: March 3, 2003

FROM: Joy K. Lee
Acting Regional Director

SUBJ: Paragon Federal Credit Union
Application to Convert from
Multi-Group to Community Charter

ACTION REQUESTED: Approve application for conversion to community charter for Paragon Federal Credit Union of the Township of Washington, New Jersey, under Section 109 of the Federal Credit Union Act, and Interpretive Ruling and Policy Statement (IRPS) 99-1, as amended.

DATE ACTION REQUESTED: March 27, 2003

OTHER OFFICES CONSULTED: General Counsel and Examination and Insurance

VIEWS OF OTHER OFFICES CONSULTED: Not applicable; requested action does not involve a proposed regulation relating to agency programs and operations.

BUDGET IMPACT, IF ANY: None

RESPONSIBLE STAFF MEMBERS: Acting Regional Director Joy K. Lee, Director of Insurance Antoinette St. Clair, and Insurance Analyst Claudia Yale.

SUMMARY: Paragon FCU, assets \$337 million, was chartered in 1936, and serves multiple groups in the vicinity of the Township of Washington, New Jersey, and several underserved areas in the surrounding portions of northern New Jersey and New York.

Paragon FCU proposes to convert to a community charter to serve persons who live, work, worship, or go to school in, and businesses and other legal entities in Bergen County, New Jersey. The population was 884,118 as of 2000.

The community is comprised of one political jurisdiction (Bergen County) with well-defined geographic boundaries. Residents have common interests through shared government services and interact through employment, as a majority of the workforce is employed within Bergen County. The community also has a large, centrally located trade area, multiple shared/common facilities, cultural events, festivals, associations, volunteer groups, and area newspaper.

Our analysis shows the applicant has met all the requirements to convert to a community charter, including the Special Documentation Requirements to establish the community common bond based on a well-defined, local community with fixed geographic boundaries where residents have common interests or interact.

Paragon FCU prepared a sound business plan, including a detailed marketing plan and realistic financial projections, and has the facilities, staff, and other infrastructure needed to offer its services to the entire community.

There are no newly chartered credit unions in the area; therefore, no exclusion clauses are recommended.

RECOMMENDED ACTION: Approve the application for conversion to community charter for Paragon Federal Credit Union.

Acting Regional Director Joy K. Lee

Attachments